

Office of Small Business Advocate Annual Report to the Governor and Legislature

September 2012 - September 2013



Prepared by the Office of Small Business Advocate within the
Governor's Office of Business and Economic Development

January 2, 2014

Governor's Office of Business and Economic Development

1400 10th Street

Sacramento, CA 95814

(916) 322-0694

Table of Contents

Summary of Report 2

Introduction..... 3

OSBA’s Activities 3

 External Outreach 3

 Internal Working Groups 6

Next Steps: OSBA’s Work Plan for the Coming Year..... 8

Summary of Report

The Office of Small Business Advocate (OSBA) resides within the Governor's Office of Business and Economic Development (GO-Biz). OSBA serves as the primary advocate for California's small business community. OSBA's key services for small businesses are summarized as follows:

- Planning and conducting educational workshops for small business owners on various topics, including the federal Affordable Care Act, California's Employment Training Panel program, and disaster preparedness and recovery.
- Managing a state interagency working group on small business regulatory issues. The interagency working group includes regulatory staff from the California Environmental Protection Agency and the Department of Industrial Relations, among others. The purpose of the interagency working group is to promote information-sharing between departments on effective outreach strategies and techniques to reach small businesses (e.g., workshops, website postings, partnering with local agencies and industry groups), and to keep OSBA updated on current and anticipated regulatory changes that will affect small businesses.
- Providing online resources for small businesses on technical assistance, financial assistance, and state procurement opportunities. OSBA's website includes links to a variety of support organizations.
- Providing individual assistance to small business owners, such as answering questions and connecting small business owners to appropriate points of contact within state departments.

This annual report is required as part of Government Code Section 12098.4(b). It describes the activities of OSBA during its first year of operations from September 10, 2012 through September 30, 2013. It also includes a description of the work plan for the coming year.

Introduction

The Office of Small Business Advocate (OSBA) within the Governor's Office of Business and Economic Development (GO-Biz) serves as the primary advocate for California's small business community. It engages in outreach with small businesses through a variety of methods, including workshops and individual assistance to small business owners. OSBA also participates in working groups with state departments on topics ranging from regulatory outreach to small business procurement.

OSBA's Activities

This section describes OSBA's activities, which fall into two categories:

1. External Outreach
2. Internal Working Groups

External Outreach

California's small business owners comprise a large and diverse group of approximately 3.5 million businesses.¹ To efficiently and effectively reach this community, OSBA developed a varied outreach strategy over the past year that includes events and online resources.

Events

OSBA created and conducted workshops for small businesses on current issues of concern. It also convened and attended outreach events for the small business community. OSBA's outreach activities are detailed below.

- "Brown Bag It!" – This workshop consisted of a lunch seminar for small business owners. The program primarily featured Covered California's Small Business Health Options Program (SHOP). Secondary topics included California's Employment Training Panel, which provides small business training reimbursement opportunities, and GO-Biz's Small Business Loan Guarantee Program (SBLGP).

OSBA planned, coordinated, and hosted six Brown Bag It! workshops during 2013 in Fresno, Emeryville, Sacramento, San Diego, Torrance, and Santa Barbara. Held before Covered California initiated its internal marketing and outreach activities, the workshops served as the state's exclusive outreach platform to educate small businesses on the requirements and thereby helped fill a critical need for information. The workshops were well-received by small business owners in terms of attendance and audience feedback.

- "Coffee Break with GO-Biz" - This event was developed to provide information to small businesses about Covered California's SHOP. The event was hosted by local Chambers

¹ SBA Office of Advocacy Small Business Profiles, 2010.

of Commerce and other regional stakeholders that wanted to deliver information about the changing health care law to their small business communities. Events were held in Monterey, Santa Cruz, and Camarillo.

- “Protect Your Business - Disaster Readiness Workshop” - The objective of this workshop was to educate small businesses on actions they can take now to help their businesses survive if a disaster were to occur. In 2013, OSBA held a “Protect Your Business” workshop in Los Angeles. The event featured Los Angeles Councilmember Curren D. Price. Presenters included Richard J. McCarthy, Executive Director of the California Seismic Safety Commission and James G. Featherstone, General Manager of the Emergency Management Department City of Los Angeles.
- “GO-Small Biz Quarterly Meetings” – OSBA convened quarterly meetings with statewide small business associations to stay abreast of small business issues throughout the state. This information was used to identify current needs in the small business community and actions for OSBA to undertake in response. Examples of outcomes from these meetings are below.
 - OSBA received information from associations on major permitting issues affecting constituents, and forwarded them to GO-Biz’s Permit Assistance Unit for resolution.
 - Meeting attendees recommended that OSBA conduct webinars on specific small business topics and on the general activities of GO-Biz and OSBA. OSBA is now planning to host a series of webinars in 2014.
- External events to support minority and other small business enterprises. In 2013, OSBA attended and/or presented at the following events for minority and other small business owners:

Event	Location
Business2Business Workshop	Los Angeles
Wilmington Chamber of Commerce Monthly Breakfast	Los Angeles
HOPE (Hispanas Organized for Political Equality)	Sacramento
City of LA Mayor’s Office of Minority Business Development Annual Awards	Los Angeles
Small Business Collaborative Meeting	Glendale
Women’s Business Center Grand Opening	Sacramento
Small Business Development Center Presentation	Santa Monica
“Connecting Women to Power”	Los Angeles
Small Business Expo	Riverside

Individual Inquiries

OSBA received calls and emails from small business owners who needed assistance with regulations, procurement, business planning, and other technical support. Some cases were resolved directly, while others required additional research or coordination with state departments. Specific types of assistance provided by OSBA include:

- Connecting small businesses with state contacts to resolve licensing or other regulatory matters (e.g., Secretary of State, Board of Equalization, Employment Development Department). This is a key service of OSBA, as we are able to leverage an extensive network of contacts within the state to help small businesses resolve regulatory issues.
- Referring small businesses to external organizations for technical assistance (e.g., Small Business Development Centers and Financial Development Corporations).

Small Business Month

To recognize Small Business Month in May, OSBA prepared profiles of California small businesses and posted them to its website each day. The goal was to provide a sample of the diverse business owners and operations that comprise the state's small business community. The profiles consisted of narratives of individuals who created or acquired small businesses and navigated challenges to succeed. The profiles also identified specific partners that are available to help small businesses with business planning and access to financing.

Proposed Online Resource: Small Business Online Portal

OSBA is developing a Small Business Online Portal (Portal) hosted by GO-Biz that will enable businesses to obtain answers to questions on state regulatory, permitting, and licensing issues. The Portal will be supported by a database of over 800 frequently asked questions that OSBA collected from over 35 state departments over the past year. Over the long-term, the Portal could be expanded to incorporate information on other small business topics and include technical features that allow for email delivery and data reporting.

The primary objective of the Portal is to provide businesses with a single user-friendly site that offers expedited information from the state. To date, OSBA has carried out the following steps associated with the Portal:

- Reached out to agency undersecretaries to introduce them to the Portal and garner support.
- Coordinated with state staff to develop the database of frequently asked questions from small businesses.
- Prepared a conceptual framework of how the Portal will appear and function.

OSBA is planning for Portal completion in fall 2014. Completion assumes full functioning of the Portal on GO-Biz's website. GO-Biz staff selected fall 2014 as a conservative estimate; many of

the tasks ahead require an uncertain amount of time and effort. The following steps may extend the anticipated completion date:

- Identification of funding sources to cover the software's cost.
- Internal development and implementation of the software, including beta testing.

Internal Working Groups

OSBA participated in the following working groups with state department staff:

- Interagency working group
- Procurement working group
- Small Business Loan Guarantee Program (SBLGP) working groups

Each working group is described in detail below.

Interagency Working Group

OSBA convenes an interagency working group that is comprised of state decision-makers on regulatory, permitting, and licensing issues that affect small businesses. The interagency working group's attendees represent the following agencies and departments:

- California Environmental Protection Agency
- California Department of Food and Agriculture
- California Workforce Investment Board (CWIB)
- Department of Industrial Relations
- Employment Development Department (EDD)
- Health and Human Services Agency

The purpose of the interagency working group is to promote information-sharing between departments on effective outreach strategies and techniques to reach small businesses (e.g., workshops, website postings, partnering with local agencies and industry groups), and to keep OSBA updated on current and anticipated regulatory changes that will affect small businesses.

The interagency working group meets every six weeks to report departmental updates and share information on outreach activities. In addition, the group provides information and

technical support to OSBA on an as-needed basis. Examples of outcomes from the interagency working group are below.

- On behalf of OSBA, interagency working group members directed their staff to prepare and submit over 800 frequently asked questions for the proposed Portal (described earlier).
- GO-Biz hosted a training seminar for interagency working group members on EDD's Geographic Information Systems business data resources that are available to department staff.
- Interagency working group members from CWIB and the Air Resources Board (ARB) are working with GO-Biz and other state departments to identify solutions to assist small trucking firms that will be eliminated as a result of ARB's new air quality regulations.

Procurement Working Group

The procurement working group consists of members from the Department of General Services and Small Business/Disabled Veteran Business Enterprise (DVBE) Advocate staff in other departments. It supports GO-Biz in implementing policy-level initiatives to help small businesses navigate the state's small business/DVBE procurement program.

The first project of the procurement working group was to implement a directive through the California Technology Agency to make state Small Business/DVBE Advocate contact information more visible on state websites. The directive required that departments locate their Small Business/DVBE Advocate's contact information within two clicks of the home page. The objective of this first project was to help small businesses more easily identify a point of contact when department-specific issues arise related to invoices or contract disputes. The directive was issued in February 2013. Over 85 percent of the participating departments implemented the directive.

SBLGP Working Groups

California's SBLGP moved from the Business, Transportation, and Housing Agency (BT&H) to GO-Biz under the Governor's reorganization Plan No. 2 of 2012. The SBLGP helps small businesses access capital by providing a state guarantee to a participating lender's loan. OSBA worked closely with BT&H, SBLGP, and U.S. Treasury leadership during this transition. Specific activities are below.

- Participated in on-going meetings with SBLGP staff, the State Treasurer's Office and the U.S. Treasury to successfully implement the programs funded through the U. S. Treasury's State Small Business Credit Initiative.
- Developed SBLGP marketing materials to be incorporated into OSBA outreach activities.

- Participated in a U.S. Treasury working group to develop a primer on best practices for states that already have, or are interested in developing, a state SBLGP.

Next Steps: OSBA's Work Plan for the Coming Year

From September 2013 through September 2014, OSBA will carry out a work plan that builds on OSBA's activities during its initial year. Specific initiatives are summarized below.

- "Brown Bag It!" and "Coffee Break with GO-Biz" - Topics under consideration for spring and summer 2014 include GO-Biz's California Competes tax credit program, innovation and entrepreneurship, the State Trade and Export Promotion (STEP) program, small business credit readiness, and federal and state loan programs for small businesses. Locations currently proposed include Antelope Valley, Eureka, Chico/Redding, and the Inland Empire. Topics will be chosen based on regional interest.
- "Protect Your Business: Disaster Readiness Workshop" – Proposed locations include Redding, Inland Empire, Bay Area, and Watts.
- GO-Small Biz Quarterly meetings – OSBA will explore webinar software solutions and evaluate topics to feature in a series of webinars that OSBA will host. Initial topics include an overview of OSBA and federal and state loan programs for small businesses.
- Individual Inquiry Support – OSBA will continue to assist small businesses individually by providing responses to questions or by directing them to appropriate points of contact within state agencies.
- Small Business Online Portal – OSBA and GO-Biz's information technology staff will continue to collaborate in the development of the Portal platform.
- Interagency Working Group - GO-Biz will continue convening interagency working group meetings to promote collaboration between regulatory staff and to stay abreast of state compliance issues affecting small businesses.